(c) Government and Reserve Bank of India have taken various steps to strengthen the Boards of Directors of Nationalized banks such as increasing representation of professionals in the Boards, induction of shareholder Directors, 'fit and proper' criteria for appointment of directors including for shareholder directors, representation of employees and officers in the Bank Boards, etc. Further, to facilitate quick and efficient decision-making and to provide sufficient managerial autonomy to the Boards of public sector banks to be able to complete internationally. Government announced and Autonomy Package on 22.02.2005 for these banks granting autonomy to the Bank Boards in respect of operational matter. The Government has also put in place a performance linked incentive scheme for the Whole Time Directors of PSBs based on their achievement on broad quantitative parameters and bench-marks.

Mismanagement of Micro Finance Scheme

1561. SHRl SHAHID SUDDIQUI: Will the Minister of FINANCE be pleased to state:

(a) what action is being taken to make the "Micro Finance Scheme" more transparent and people friendly in view of mismanagement being reported from all quarters on the said scheme; and

(b) what is the percentage of total loan being given by the Nationalized Banks through the Ministry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Self Help Groups (SHGs)- Bank Linkage Programme has emerged as the major Micro Finance programme in the country, which is being implemented by Commercial Banks, Regional rural Banks and Cooperative Banks. As on March 31,2007, 29.24 lakh SHGs have been linked to banks involving a total credit flow of Rs. 18,040 crore (cumulative figure since 1992). Similarly, under Swaranjayanti Gram Swarozgar Yojana (SGSY), 43551 SHGs were disbursed loan amounting to Rs. 26,150.74 lakh, which is 64% of the total loan disbursed under the scheme, during the year 2006-07. The Nationalized Banks have a predominant share in the lending under this scheme.

Banks have been advised that micro credit should from an integral part of the bank's corporate credit plan and should be reviewed at the highest level on a quarterly basis. They have also been advised to focus on relatively less banked areas, engage in capacity building and empowerment of the groups to the desired extent and adhere to their system and practices and lending policies with a view to ensure better transparency and people friendly practices.

The Government of India has introduced the Micro Financial Sector (Development and Regulation) Bill, 2007 on 20th March, 2007 in the Lok Sabha, which envisages a formal statutory framework for the promotion, development and regulation of the micro finance sector.

Proposal of SBI to buy South African Bank

1562. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Bank of India (SBI) proposes to buy a South African Bank;

(b) if so, the details thereof;